

Update 1998

After more than 60 years, Social Security is still a flexible program. Through the years, Congress has modified the original law to reflect the economic circumstances in today's society. Yearly updates show such changes as annual increases in the cost of living or workers' average wages.

Whether you're still working or you're already a Social Security beneficiary, these changes are important to you.

Other publications available from Social Security explain the provisions that do not change from one year to the next. Those publications are revised when it is necessary to explain major new legislation that affects the various Social Security programs. This factsheet provides up-to-date information for 1998 about the "built-in" changes that take place most years.

INFORMATION FOR PEOPLE WHO ARE WORKING

Social Security and Medicare Taxes

	1997	1998
Employee/employer (each)	7.65% up to a maximum of \$65,400	7.65% up to a maximum of \$68,400
Self-employed	15.3%* up to a maximum of \$65,400	15.3%* up to a maximum of \$68,400

* Can be offset by income tax provisions

Extra Medicare Taxes—If you earn more than \$68,400, you continue to pay the Medicare portion of those taxes, as indicated below.

Employee/employer (each)	1.45% on all earnings above \$65,400	1.45% on all earnings above \$68,400
Self-employed	2.9% on all income above \$65,400	2.9% on all income above \$68,400

Work Credits—You need a certain number of credits to be eligible for Social Security benefits. The number of credits you need depends on your age and the type of benefit you're claiming. You can earn a maximum of four credits each year. Most people need 40 credits to qualify for retirement benefits.

1997	1998
\$670 earns one credit	\$700 earns one credit

INFORMATION FOR SOCIAL SECURITY BENEFICIARIES

Earnings Limits

Social Security beneficiaries under age 70 receive full benefits as long as their earnings are under the limits indicated below.

	1997	1998
Age 70 or older	No limit on earnings	No limit on earnings
Age 65-69	\$13,500 For every \$3 over the limit, \$1 is withheld from benefits	\$14,500 For every \$3 over the limit, \$1 is withheld from benefits
Under age 65	\$8,640 For every \$2 over the limit, \$1 is withheld from benefits	\$9,120 For every \$2 over the limit, \$1 is withheld from benefits
Disabled individual	\$500 per month	\$500 per month

INFORMATION FOR SSI RECIPIENTS

Monthly Federal SSI Payment

	1997	1998
Individual	\$484	\$494
Couple	\$726	\$741

Monthly Income Limits

	1997	1998
Individual whose income is only from wages	\$1,053	\$1,073
Individual whose income is not from wages	\$504	\$514
Couple whose income is only from wages	\$1,537	\$1,567
Couple whose income is not from wages	\$746	\$761

Note: Some states add money to the federal SSI payment. If you live in one of these states, you may qualify for a higher payment, and your income can be greater than the amounts indicated and you still may qualify.

INFORMATION FOR PEOPLE ON MEDICARE

Hospital Insurance (Part A)

	1997 Deductible	1998 Deductible
For first 60 days in a hospital, patient pays	\$760	\$764
For 61st through 90th days in a hospital, patient pays	\$190 per day	\$191 per day
Beyond 90 days in a hospital, patient pays (for up to 60 more days)	\$380 per day	\$382 per day
For first 20 days in a skilled nursing facility, patient pays	\$0	\$0
For 21st through 100th days in a skilled nursing facility, patient pays	\$95 per day	\$95.50 per day

Medical Insurance (Part B)

	1997	1998
Premium	\$43.80 per month	\$43.80 per month (no change)
Deductible	\$100 per year	\$100 per year
After the patient has paid the deductible, Part B pays for 80% of covered services.		

Note: If you get Medicare and have little income or resources, your state may pay your Medicare premiums and, in some cases, your deductibles and other out-of-pocket medical expenses. Contact your local medical assistance (Medicaid) agency, social services or welfare office to find out if they can help you.

Call Social Security
1-800-772-1213
24 hours a day
Internet: <http://www.ssa.gov>

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